

**STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA**

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2006

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006

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STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
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AGENCY OFFICIALS

Director (December 15, 2006 – Present)	Ms. Tammy Duckworth
Director (July 1, 2004 through December 14, 2006)	Mr. Roy Dolgos
Acting Home Administrator (August 4, 2006 through present)	Ms. Patricia Simms
Home Administrator (July 1, 2004 through August 4, 2006)	Ms. Connie Duncan
Business Administrator	Ms. Christy Butler
Adjutant	Ms. Patricia Simms

The Home is located at:

792 North Main Street
Anna, IL 62906



STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS

ANNA VETERANS' HOME
792 N. MAIN, ANNA ILLINOIS 62906
TELEPHONE: 618/833-6302 * FAX: 618/833-3603

ROD R. BLAGOJEVICH
GOVERNOR

L. TAMMY DUCKWORTH
DIRECTOR

October 23, 2006

Office of the Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, IL 62703

Ladies and Gentlemen:

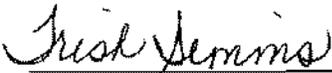
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Department of Veterans' Affairs Illinois Veterans' Home at Anna (Home). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Home's compliance with the following assertions during the two-year period ended June 30, 2006. Based on this evaluation, we assert that during the years ended June 30, 2006 and June 30, 2005, the Home has materially complied with the assertions below.

- A. The Home has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Home has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Home has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Home are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

E. The money or negotiable securities or similar assets handled by the Home on behalf of the State or held in trust by the Home have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Anna Veterans' Home



Trish Simms, Home Administrator



Christie Butler, Business Administrator

COMPLIANCE REPORT

SUMMARY

The compliance testing performed in this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

AUDITORS' REPORTS

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	5	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

Details of findings are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
06-1	9	Employee performance evaluations were not performed timely
06-2	11	Noncompliance with State Officials and Employees Ethics Act
06-3	12	Inappropriate automotive purchase
06-4	14	Inaccurate property reporting
06-5	16	Inadequate segregation of duties for receipts

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

There were no material findings noted during the Compliance Examination for the two years ended June 30, 2004.

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Home personnel at an exit conference on March 23, 2007. Attending were:

Illinois Veterans' Home at Anna

Patricia Simms, Acting Home Administrator

Christy Butler, Business Administrator

Illinois Department of Veterans' Affairs

Deborah Miller, Chief Fiscal Officer

Michael Gough, Chief of Staff

Office of the Auditor General

Lisa Warden, Audit Manager

Courtney Dzierwa, Audit Supervisor

Responses to the recommendations were provided on April 2, 2007 by Christy Butler, Business Administrator.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna's compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2006. The management of the State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna's compliance based on our examination.

- A. The State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna on behalf of the State or held in trust by the State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna's compliance with specified requirements.

In our opinion, the State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 06-1, 06-2, 06-3, and 06-4.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter.

Internal Control

The management of the State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the State of Illinois, Department of Veterans' Affairs, Illinois Veterans' Home at Anna's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control, which are required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 06-1, 06-3, 06-4, and 06-5.

As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2006 and 2005 Supplementary Information for State Compliance Purposes, except for information on the Service Efforts and Accomplishments and the Annual Statistics on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2004 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.



BRUCE L. BULLARD, CPA

Director of Financial and Compliance Audits

October 23, 2006

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

06-1. **FINDING** (Employee performance evaluations were not performed timely)

The Illinois Veterans' Home at Anna (Home) did not conduct employee performance appraisals timely.

The Home did not timely complete annual evaluations for 9 of 10 (90%) employees tested in accordance with personnel rules. We noted 17 evaluations should have been prepared for the 10 employees tested during this two-year period; however, we noted the following exceptions concerning 11 of 17 (65%) evaluations due:

- 10 of 17 (59 %) annual evaluations were prepared 62 to 99 days late; and
- 1 of 17 (6%) annual evaluations was not performed at all.

The Illinois Administrative Code (80 Ill. Adm. Code 302.270) requires agencies to prepare evaluations on employees not less often than annually.

Home personnel stated the performance appraisals were late because they were not originally documented appropriately and were redone. This was the first period where evaluations were required to be completed by the Home due to its conversion to a State-run Home. Home personnel also stated one evaluation was not completed due to oversight.

Performance appraisals are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance appraisals should serve as a foundation for salary adjustment, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 06-1)

RECOMMENDATION

We recommend the Home implement controls to ensure appraisals are performed timely for all employees. If necessary, responsible employees should obtain necessary training in proper completion of the evaluation forms.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

HOME RESPONSE

The Home agrees with this finding. The Interim Administrator and management staff have already obtained necessary training in proper completion of the evaluation forms. The Home has implemented and strengthened our controls to ensure evaluations are performed timely for all employees and are turned into the Springfield office before the deadline.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

06-2. **FINDING** (Noncompliance with State Officials and Employees Ethics Act)

The Illinois Veterans' Home at Anna (Home) did not maintain time sheets in compliance with the State Officials and Employees Ethics Act (Act).

During the engagement period, we noted Home employees were required to submit time sheets twice a month, on the 15th and the last day of each month, documenting arrival time at work and the time that the employees leave. However, the time sheets did not document the total hours spent each day on official State business.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-5(c)) requires each State agency to develop a written policy that includes work time requirements and documentation of time worked. Additionally, the Act requires State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour.

Home personnel stated they did not realize their system did not fulfill the requirements of the Act.

Failure to periodically submit time sheets documenting the time spent each day on official State business is noncompliance with State statute and reduces accountability and controls to ensure employees are paid only for time spent on official State business. (Finding Code No. 06-2)

RECOMMENDATION

We recommend the Home comply with the State Officials and Employees Ethics Act by requiring employees to periodically submit time sheets recording time spent each day on official State business to the nearest quarter hour.

HOME RESPONSE

The Home agrees with this finding. Supervisors will check staff's time sheets to comply with State business recorded to the nearest quarter hour. Personnel will work with the Springfield Central Office on implementing a total hour worked area to be placed on the time sheets.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

06-3. **FINDING** (Inappropriate automotive purchase)

The Illinois Veterans' Home at Anna (Home) inappropriately purchased equipment for Central Office from its lump sum appropriation.

During our testing, we noted the Home purchased a vehicle for the Director of Department of Veterans' Affairs through the Home's appropriation code. The vehicle should have been purchased out of the Department of Veterans' Affairs – Central Office appropriation since the vehicle was for the Director of the Department rather than the Administrator of the Home. Furthermore, this vehicle purchase was listed on the property listing of the Central Office, not the Home.

The Appropriation Bill (Public Act 93-0842) designates the expenditure authority from which the Home is authorized to expend its appropriation. The appropriation bill for the Home states that appropriations are for the ordinary and contingent expenditures for the operation of the Home.

Home personnel stated that the Department of Veterans' Affairs - Central Office performed the transaction because at the time of the purchase, the Home had unobligated appropriations.

Appropriations made by the General Assembly specify the purposes for which the public funds of the State may be expended. By expending money from one appropriation for another entity, the Home is not expending funds for the intended purposes specified by the General Assembly. Failure to properly classify expenditures reduces the usefulness and reliability of financial information. (Finding Code No. 06-3)

RECOMMENDATION

We recommend the Home comply with the appropriation authorization by paying for all purchases from the proper appropriation.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

HOME RESPONSE

The Home agrees with the finding. The Home will comply with this finding by paying for all purchases from the correct appropriation. The Home has implemented stronger techniques to have more control over the appropriations of the funds.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

06-4. **FINDING** (Inaccurate property reporting)

The Anna Veterans' Home (Home) did not exercise adequate control over reporting State property.

Three of eight (38%) State Property Quarterly Reports (C-15's) submitted to the Department of Veterans' Affairs Central Office (Central Office) did not accurately reflect Home equipment transactions. The Central Office used the C-15's submitted by each Home to compile and submit a Department-wide C-15 to the State Comptroller's Office. The following errors were noted:

- The FY05 beginning balance of equipment reported to the Central Office was overstated by \$128,251.
- In FY05, a difference of \$12,434 occurred in the fourth quarter between the amount reported to Central Office and the amount recorded in the agency records.
- The FY06 beginning balance for Building & Building Improvements reported to Central Office was understated by \$5,189.
- The FY06 beginning balance for Equipment reported to Central Office was overstated by \$18,145.

The Statewide Accounting Management System (SAMS) requires the C-15's to be properly completed, presenting the total cost of State property, by category, reflected on the agency's records as of the reporting date. Also, SAMS requires the beginning balance of State property to reconcile to the ending balance. (Procedure 29.10.30) Good business practices require an agency to review all reported information for accuracy before submission.

Personnel stated the C-15's were prepared in a spreadsheet, which contained formula errors that were undetected by staff. In addition, personnel failed to review the C-15's as prepared for accuracy before submission to the Central Office.

Inaccurate property reporting reduces the reliability of Statewide capital asset information. (Finding Code No. 06-4)

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

RECOMMENDATION

We recommend the Home thoroughly review all reports prepared from internal records for accuracy before submission to Central Office.

HOME RESPONSE

The Home agrees with this finding. The Home will follow the plans in the SAMS Manual for correct C-15 reporting. The Home will implement stronger control over the review of records for accuracy before submitting the forms to Central Office.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

06-5. **FINDING** (Inadequate segregation of duties for receipts)

The Anna Veterans' Home (Home) did not have an adequate segregation of duties over receipt processing within its locally held clearing account.

One individual was responsible for most aspects of receipt processing, including the physical receipt of funds, record keeping, and preparing deposit slips. In addition, an independent person was not available to perform monthly reconciliations of bank statements for approximately four and one-half (38%) months during Fiscal Year 2006. The Home received a total of \$2,029,768 in receipts in Fiscal Year 2006.

Good business practices require the Home to maintain an adequate segregation of custody and record keeping responsibilities in order to ensure the safeguarding of assets, prevent improper receipt handling, and ensure the accuracy and reliability of accounting data. In addition, a person independent of the custody and record keeping functions should perform a reconciliation of deposits to the bank statements.

Home personnel stated they had limited personnel between which to segregate duties.

Inadequate segregation of duties increases the likelihood that a loss from errors or fraud could occur and not be detected in the normal course of employees performing their assigned duties. (Finding Code No. 06-5)

RECOMMENDATION

We recommend the Home adequately segregate the receipt processing duties by designating independent employees and back-up individuals to perform the custody, record keeping and bank reconciliation functions.

HOME RESPONSE

The Home agrees with this finding. The Home has segregated the duties between the Business Administrator and the Advanced Accountant. The Home will also look at implementing backup training with a third individual in order to perform record keeping.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

Prior Findings Not Repeated – State

There were no material findings noted during the Compliance Examination for the two years ended June 30, 2004.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Efficiency Initiative Payments
 - Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally Held Funds
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
 - Analysis of Significant Account Balances
 - Analysis of Accounts Receivable

- Analysis of Operations:
 - Agency Functions and Planning Program
 - Average Number of Employees
 - Annual Statistics (Not Examined)
 - Emergency Purchases
 - Service Efforts and Accomplishments (Not Examined)

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states we have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2005 and 2006 Supplementary Information for State Compliance purposes, except for information on Annual Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006

We have not applied procedures to the 2004 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2006

P.A. 94-0015 FISCAL YEAR 2006	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
Appropriated Funds					
Fund 001- General Revenue Fund					
Ordinary & Contingent Expenses	\$ 639,000	\$ 638,759	\$ 0	\$ 638,759	\$ 241
General Revenue Fund Total	\$ 639,000	\$ 638,759	\$ 0	\$ 638,759	\$ 241
Fund 273- Anna Veterans' Home Fund					
Ordinary and Contingent Expenses	\$ 3,310,800	\$ 2,725,037	\$ 223,500	\$ 2,948,537	\$ 362,263
Refunds	13,000	4,472	278	4,750	8,250
Anna Veterans' Home Fund Total	\$ 3,323,800	\$ 2,729,509	\$ 223,778	\$ 2,953,287	\$ 370,513
Total Appropriated Funds	\$ 3,962,800	\$ 3,368,268	\$ 223,778	\$ 3,592,046	\$ 370,754
Non-Appropriated Fund					
Fund 775 - Veterans' Affairs Library Grant Fund					
Library Expenses		\$ 5,758	\$ 3,242	\$ 9,000	
Veterans' Affairs Library Grant Fund Total		\$ 5,758	\$ 3,242	\$ 9,000	
Grand Total All Funds		\$ 3,374,026	\$ 227,020	\$ 3,601,046	

Note: Appropriations, expenditures, and lapsed balances were obtained from records of the State Comptroller and have been reconciled to Agency records.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2005

P.A. 93-0842 FISCAL YEAR 2005	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31		
Appropriated Funds					
Fund 001- General Revenue Fund					
Ordinary and Contingent Expenses	\$ 3,164,000	\$ 2,827,309	\$ 141,677	\$ 2,968,986	\$ 195,014
General Revenue Fund Total	\$ 3,164,000	\$ 2,827,309	\$ 141,677	\$ 2,968,986	\$ 195,014
Fund 273- Anna Veterans' Home Fund					
Ordinary and Contingent Expenses	\$ 1,780,700	\$ 457,250	\$ 130,320	\$ 587,570	\$ 1,193,130
Refunds	13,000	4,786	0	4,786	8,214
Anna Veterans' Home Fund Total	\$ 1,793,700	\$ 462,036	\$ 130,320	\$ 592,356	\$ 1,201,344
Total Appropriated Funds	\$ 4,957,700	\$ 3,289,345	\$ 271,997	\$ 3,561,342	\$ 1,396,358
Non-Appropriated Fund					
Fund 775 - Veterans' Affairs Library Grant Fund					
Library Expenses		0	8,045	8,045	
Veterans' Affairs Library Grant Fund Total		0	8,045	8,045	
Grand Total All Funds	\$ 3,289,345	\$ 280,042	\$ 3,569,387		

Note: Appropriations, expenditures, and lapsed balances were obtained from records of the State Comptroller and have been reconciled to Agency records.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES**
For the Fiscal Years Ended June 30, 2006

	Fiscal Year		
	2006	2005	2004
	P.A. 94-0015	P.A. 93-0842	P.A. 93-92
Fund 001 - General Revenue Fund			
Appropriations (Net of Transfers)	\$ 639,000	\$ 3,164,000	\$ 2,325,200
<u>Expenditures</u>			
Personal Services	\$ 0	\$ 0	\$ 39,793
State Contribution to State Employees' Retirement System	0	0	4,692
State Contributions to Social Security	0	0	3,710
Contractual Services	0	0	746,900
Ordinary and Contingent Expenses	638,759	2,968,986	1,098,239
Total Expenditures	\$ 638,759	\$ 2,968,986	\$ 1,893,334
Lapsed Balances	\$ 241	\$ 195,014	\$ 431,866
Fund 273 - Anna Veterans' Home Fund			
Appropriations (Net of Transfers)	\$ 3,323,800	\$ 1,793,700	\$ 2,031,300
<u>Expenditures</u>			
Contractual Services	\$ 0	\$ 0	\$ 1,982,914
Travel	0	0	549
Commodities	0	0	319
Printing	0	0	25
Electronic Data Processing	0	0	35
Telecommunications	0	0	4,901
Operation of Automotive Equipment	0	0	1,642
Ordinary and Contingent Expenses	2,948,537	587,570	0
Refunds	4,750	4,786	12,499
Total Expenditures	\$ 2,953,287	\$ 592,356	\$ 2,002,884
Lapsed Balances	\$ 370,513	\$ 1,201,344	\$ 28,416

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES**
For the Fiscal Years Ended June 30, 2006

	2006	Fiscal Year 2005	2004
	P.A. 94-0015	P.A. 93-0842	P.A. 93-92
TOTAL APPROPRIATED FUNDS:			
Appropriations (Net of Transfers)	\$ 3,962,800	\$ 4,957,700	\$ 4,356,500
 Total Expenditures	 \$ 3,592,046	 \$ 3,561,342	 \$ 3,896,218
Lapsed Balances	<u>\$ 370,754</u>	<u>\$ 1,396,358</u>	<u>\$ 460,282</u>
 NON-APPROPRIATED FUNDS:			
 Fund 775 - Veterans' Affairs Library Grant Fund			
<u>Expenditures</u>			
Library Expenses	\$ 9,000	\$ 8,045	\$ 0
Return Unused Cash	<u>0</u>	<u>0</u>	<u>160</u>
Total Expenditures	<u>\$ 9,000</u>	<u>\$ 8,045</u>	<u>\$ 160</u>
 TOTAL EXPENDITURES - ALL FUNDS			
Total Expenditures	<u>\$ 3,601,046</u>	<u>\$ 3,569,387</u>	<u>\$ 3,896,378</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS
For the Two Years Ended June 30, 2006

<u>Procurement Efficiency Initiative</u>	<u>FY05</u>
General Revenue Fund - 001	
Lump Sums	\$ 1,476
Grand Total	<u><u>\$ 1,476</u></u>

The Home did not make any efficiency initiative payments during Fiscal Year 2006.

Note: This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Agency and reconciled to information from the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND FUND
BALANCE (CASH BASIS) – LOCALLY HELD FUNDS**
For the Two Years Ended June 30,

	2006	2005
<u>Benefits Trust Fund - Anna - 1339</u>		
Cash Balance, July 1	\$ 31,057	\$ 24,896
Receipts	41,955	39,690
Disbursements	(45,155)	(33,529)
Cash Balance, June 30	\$ 27,857	\$ 31,057
 <u>IVHA - Members' Trust Fund - 1348</u>		
Cash Balance, July 1	\$ 32,453	\$ 27,918
Receipts	831,042	682,140
Disbursements	(818,774)	(677,605)
Cash Balance, June 30*	\$ 44,721	\$ 32,453
 <u>IVHA - Clearing Account Fund - 1311</u>		
Cash Balance, July 1	\$ 0	\$ 4,429
Receipts	832,919	789,195
Disbursements	(832,919)	(793,624)
Cash Balance, June 30	\$ 0	\$ 0

*Ending balances do not include petty cash on-hand amounts of \$14 in FY06 and \$202 in FY05.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2006

	Total	Land and Land Improvements	Site Improvements	Buildings and Building Improvements	Equipment	Capital Lease Equipment
Balance at July 1, 2004	\$ 6,827,369	\$ 1,527	\$ 1,140,278	\$ 5,031,656	\$ 648,405	\$ 5,503
Additions	257,323	-	-	836	256,487	-
Deletions	(54,070)	-	-	(5,189)	(43,378)	(5,503)
Net Transfers	(51,240)	-	-	-	(51,240)	-
Balance at June 30, 2005	<u>\$ 6,979,382</u>	<u>\$ 1,527</u>	<u>\$ 1,140,278</u>	<u>\$ 5,027,303</u>	<u>\$ 810,274</u>	<u>\$ -</u>
Balance at July 1, 2005	\$ 6,979,382	\$ 1,527	\$ 1,140,278	\$ 5,027,303	\$ 810,274	\$ -
Additions	147,864	-	53,256	18,018	76,590	-
Deletions	(20,216)	-	-	-	(20,216)	-
Net Transfers	(3,530)	-	-	-	(3,530)	-
Balance at June 30, 2006	<u>\$ 7,103,500</u>	<u>\$ 1,527</u>	<u>\$ 1,193,534</u>	<u>\$ 5,045,321</u>	<u>\$ 863,118</u>	<u>\$ -</u>

Note: The above schedule has been derived from Home records, which have been reconciled to the C-15 Agency Report of State Property submitted quarterly to the Office of the Comptroller. The amounts reported above have been adjusted to reflect accurate property balances after correction of reporting errors noted in Finding 06-4 on page 14.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ended June 30,

<u>Anna Veterans' Home Fund - 273</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
VA Reimbursements	\$ 1,196,923	\$ 1,120,043	\$ 1,100,177
Patient Fees	792,883	791,092	763,208
Meal Tickets	2,419	2,241	226
Health and Human Services	36,369	278	-
Insurance Claims Reimbursement	1,114	-	-
Anna Misc. Charges - Phone / Jury Duty	23	-	-
Copy Fees	<u>37</u>	<u>-</u>	<u>-</u>
Total Receipts	<u><u>\$ 2,029,768</u></u>	<u><u>\$ 1,913,654</u></u>	<u><u>\$ 1,863,611</u></u>

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER**
For the Fiscal Years Ended June 30,

<u>Anna Veterans' Home Fund – 273</u>	<u>2006</u>	<u>2005</u>
Receipts per Department Records	\$ 2,029,768	\$ 1,913,654
Add: Deposits in Transit, Beginning of Year	10,509	59,918
Less: Deposits in Transit, End of Year	<u>(1,550)</u>	<u>(10,509)</u>
Deposits Recorded by the Comptroller	<u><u>\$ 2,038,727</u></u>	<u><u>\$ 1,963,063</u></u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Fiscal Years Ended June 30, 2006

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2005 AND 2006

GENERAL REVENUE FUND – 001

ORDINARY AND CONTINGENT EXPENSES

The decrease in General Revenue Fund (GRF) expenditures was due to a budgetary change. Because limited GRF funds were available, a majority of funds previously appropriated from the GRF were appropriated from and spent from the Anna Veterans' Home Fund (273) in fiscal year 2006.

ANNA VETERANS' HOME FUND – 273

ORDINARY AND CONTINGENT EXPENSES

The increase in Anna Veterans' Home Fund expenditures was due to a budgetary change. Because limited GRF funds were available, a majority of funds previously appropriated from the GRF were appropriated from and spent from the Anna Veterans' Home Fund (273) in fiscal year 2006. As a result, an increased volume of transactions were processed through Fund 273.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2004 AND 2005

GENERAL REVENUE FUND – 001

PERSONAL SERVICE, STATE CONTRIBUTION TO STATE EMPLOYEES' RETIREMENT SYSTEMS, STATE CONTRIBUTIONS TO SOCIAL SECURITY, AND CONTRACTUAL SERVICES

The decrease in these expenditure categories was due to the appropriation and payment of all expenditures from the ordinary and contingent expenses lump sum line item. This budgetary change occurred when the State assumed operation of the Home from the contractor beginning April 1, 2004.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Fiscal Years Ended June 30, 2006

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2004 AND 2005 Continued.

ORDINARY AND CONTINGENT EXPENSES

The increase in expenditures was to cover the additional ordinary and contingent expenses that were previously paid from specific line item appropriations. This budgetary change was due to legislative changes that required the State to assume operation of the Home from the contractor beginning April 1, 2004. Further, the Home received a supplemental appropriation to cover ordinary and contingent expenditures only for the remaining portion of Fiscal Year 2004. However, an appropriation was received by the Home to cover ordinary and contingent expenses for the entire Fiscal Year 2005 period.

ANNA VETERANS' HOME FUND – 273

CONTRACTUAL SERVICES, TRAVEL, COMMODITIES, PRINTING, ELECTRONIC DATA PROCESSING, TELECOMMUNICATIONS, AND OPERATION OF AUTOMOTIVE EQUIPMENT

The decrease in these expenditure categories was due to the appropriation and payment of all expenditures of the Home from the ordinary and contingent expense appropriation line for Fiscal Year 2005.

ORDINARY AND CONTINGENT EXPENSES

The increase in expenditures was to cover the additional ordinary and contingent expenses that were previously paid from specific line item appropriations before the State assumed operation of the Home from the contractor.

REFUNDS

The decrease in refund expenditures was due to the number of residents who expired or transferred out of the Home during the year. A portion of each resident's paid monthly maintenance fee is refunded back to the resident or the resident's family upon their death or discharge from the home. Refund expenditures also fluctuate because they are prorated according to the day of the month that each resident expires or is discharged.

VETERANS' AFFAIRS LIBRARY GRANT FUND – 775

LIBRARY EXPENSES

No application was made for a Fiscal Year 2004 grant. Although the Home applied for a Fiscal Year 2005 library grant, the funds were received too late to be used for the library. Fiscal Year 2005 expenditures represented return of the unused grant to the grantor.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Fiscal Years Ended June 30, 2006

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2005 AND 2006

ANNA VETERANS' HOME FUND – 273

HEALTH AND HUMAN SERVICES

The increase in Fiscal Year 2006 receipts was due to the fact that Medicare Part B billing was implemented at the end of Fiscal Year 2005, and included retroactive billings to 2004. The Home was not a Medicare certified facility prior to that time.

INSURANCE CLAIMS REIMBURSEMENT

The increase in Fiscal Year 2006 receipts was due to the fact that third party supplemental insurance billing was implemented in conjunction with Medicare Part B billing at the end of Fiscal Year 2005.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2004 AND 2005

ANNA VETERANS' HOME FUND – 273

MEAL TICKETS

The increase in Fiscal Year 2005 receipts was due to the increase in the number of employees eating meals on site. The State began charging employees for meal tickets when the Home became State-run at the end of Fiscal Year 2004.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Fiscal Years Ended June 30, 2006

FISCAL YEAR 2006

VETERANS' AFFAIRS LIBRARY GRANT FUND – 775

LIBRARY EXPENSES

Lapse period expenditures were due to the unused cash returned to the Secretary of State because only a portion of the total grant funds available were expended for the program in Fiscal Year 2006.

FISCAL YEAR 2005

ANNA VETERANS' HOME FUND – 273

ORDINARY AND CONTINGENT EXPENSES

Lapse period expenditures were due to payments of billings for the operation of the Home that were received prior to June 30 and paid during the lapse period. Significant expenditures included payroll, food, medical services, and improvements to the Home's parking lot.

VETERANS' AFFAIRS LIBRARY GRANT FUND – 775

LIBRARY EXPENSES

Lapse period expenditures were due to the unused cash returned to the Secretary of State because there were no program expenses made in Fiscal Year 2005.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
For the Two Years Ended June 30, 2006

CASH

The Anna Veterans' Home Fund (273) is a non-shared fund held in the State Treasury. It is classified as a special revenue fund and is restricted to expenditures for specified purposes. It is appropriated by the General Assembly. Cash balances were \$945,002 and \$1,695,314 at June 30, 2006 and 2005, respectively.

The Home is also the custodian of three locally held funds: the Benefits Trust Fund-Anna (Fund 1339), the IVHA Members' Trust Fund (Fund 1348) and the IVHA Clearing Account (Fund 1311). The Benefits Trust Fund-Anna is classified as a special revenue fund and is restricted to expenditures for the benefit, entertainment and recreation of the residents. The IVHA Members' Trust Fund is classified as an agency fund and is a depository for the residents' funds, which is used to account for the receipts and disbursements of the residents. The IVHA Clearing Account is considered a sub-account of the Anna Veterans' Home Fund (273). The Benefits Trust Fund-Anna and the IVHA Members' Trust Fund are held at the Anna National Bank and the IVHA Clearing Account is held at the Anna State Bank. All locally held funds are insured by the FDIC.

Cash balances for the Benefits Trust Fund-Anna were \$27,857 and \$31,057 at June 30, 2006 and 2005, respectively. Cash balances for the IVHA Members' Trust Fund were \$44,735 and \$32,655 at June 30, 2006 and 2005, respectively. The activity of the Anna Clearing Account is collapsed into the Anna Home Fund (273) for annual financial reporting to the Comptroller. Cash balances for the IVHA Clearing Account were \$0 at June 30, 2006 and 2005.

PROPERTY

A comparative schedule of State Property is shown in the Financial Related Information Section of this report. There were no significant variances noted in this schedule.

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DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Two Years Ended June 30, 2006

ANALYSIS OF ACCOUNTS RECEIVABLE

Accounts receivable of the Anna Veterans' Home Fund (273) consisted of the following at June 30,

	<u>2006</u>	<u>2005</u>
Due from the U.S. Department of Veterans'		
Affairs - per diem reimbursement	\$ 206,261	\$ 192,163
Maintenance fees due from members	9,513	10,422
Total	<u>\$ 215,774</u>	<u>\$ 202,585</u>

The following is an aging of the accounts receivable due to Fund 273 at June 30,

	<u>2006</u>	<u>2005</u>
Not past due	\$ 212,413	\$ 200,448
31-90 days past due	-	-
91+ days past due	3,361	2,137
Total	<u>\$ 215,774</u>	<u>\$ 202,585</u>

The Home uses the Comptroller's offset system and private collection services to collect old receivable balances if necessary.

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ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

AGENCY FUNCTIONS AND PLANNING PROGRAM

Agency Functions

The Illinois Veterans' Home at Anna (Home) was opened in August 1994 and it currently operates under the authority of the Department of Veterans' Affairs Act (20 ILCS 2805 et seq.) The Home was established to provide care as described below for the southern Illinois area veteran population. The Home is a mixed care facility composed of independent apartment units with a maximum occupancy of twelve eligible veterans, their spouses, widows or widowers (depending on bed availability), and a fifty bed intermediate and skilled care component for eligible veterans.

The Home was privatized until April 1, 2004, at which time the State of Illinois assumed operations of the Home. As of June 30, 2006, the Home had 60 employees.

The Home is subject to several regulatory agencies, including the U. S. Department of Veterans' Affairs, Illinois Department of Veterans' Affairs and Illinois Department of Public Health. Funding is provided by "member" maintenance charges based on the resident's ability to pay, the U. S. Department of Veterans' Affairs per diem patient care reimbursements and appropriations from the State of Illinois.

According to the Department of Veterans' Affairs (Department), commitment to the care of the aging veteran is and shall continue to be the primary focus of the Department. Program offerings for the Anna Veterans' Home consist of health care, social activities, recreation, and support services.

The Home made numerous expenditures from the Benefit Fund to directly benefit the residents. Those expenditures included a piano, entertainment equipment and specialized wheelchairs for the residents.

Agency Planning

During 2004, the Home developed multiple long-range goals to be completed in subsequent years.

The Home's top long-range issues and goals were to:

- Continue construction to correct several areas of deterioration including repairing a water damaged wall and ceilings;

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ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

- Build a garage at the ambulance entrance to the building to provide shelter in inclement weather. Plans were approved, but are pending fiscal release of dollars;
- Develop plans to replace guttering and seal coat the exterior of the building for weatherproofing and add snow guards, completed December 2005;
- Develop plans to expand the dining room to alleviate overcrowding and better accommodate residents in wheelchairs;
- Develop plans to expand parking area and resurface current parking lot, completed July 2006;
- Develop plans to expand ventilation system for both shower rooms and the resident smoking lounge, completed July 2006;
- Explore the addition of 25 skilled beds for increasing need; and
- Evaluate creating small apartments for veterans' housing on grounds.

The Home's top short-range issues and goals were to:

- To be deficiency free in Department of Public Health and Veterans' Affairs inspections;
- To keep overtime for all areas within the Home at a minimum; and
- Continue to provide quality care to residents.

The goals of the Home are set by the Department with input from the Home Administrator, interested veterans' groups, and information from the other Veterans' Homes. The Home Administrator monitors the achievement of these goals.

Auditor's Assessment

The Department appears to have maintained an adequate planning program for the Home during the current examination period.

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ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Home records, presents the average number of State of Illinois full-time equivalent employees, by function, for the two fiscal years ended June 30,

<u>Function</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Administration	13	12	3
Healthcare	34	33	9
Dietary	7	7	2
Housekeeping	<u>6</u>	<u>6</u>	<u>2</u>
Total Average Full-Time Employees	<u>60</u>	<u>58</u>	<u>16</u>

Note: The Illinois Veterans' Home at Anna became a State operated facility on April 1, 2004. The FY 2004 average number of full-time employees includes nine months when the administrative and operational responsibilities of the Home were contracted out to a privately owned nursing home care provider. This accounts for the large increase in the number of full-time State employees between FY 2004 and FY 2005.

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ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

ANNUAL STATISTICS

RATIO OF EMPLOYEES TO RESIDENTS (Not Examined)

The following comparative data was prepared from the Department of Veterans' Affairs - Central Office records for the fiscal years ended June 30,

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Certified capacity of Home	62	62	62
Daily average number of residents:			
Skilled Care	49	49	50
Domiciliary	10	11	12
Average number of State employees	60	58	16
Ratio of employees to residents*	1.02 to 1	.97 to 1	N/A

* The ratio of employees to residents was not available for fiscal year 2004 because the Home was run by a private firm until April 1, 2004.

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ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

COSTS PER RESIDENT (Not Examined)

The following costs of resident care were prepared from the Department's Central Office records for the fiscal years ended June 30,

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Average healthcare spending per resident per year*	\$ 5,150	\$ 5,640	\$ 26,496
Average cost per resident per meal (excludes labor costs)	\$ 1.92	\$ 1.83	\$ 1.45
Average annual cost of meals per resident (excludes labor costs)	\$ 2,099	\$ 2,006	\$ 1,587
Average annual cost of care per resident:			
Skilled Care	\$ 23,170	\$ 55,006	\$ 55,006
Domiciliary	\$ 10,698	\$ 22,010	\$ 22,010

*Healthcare spending costs include costs for contractual hospital and medical services, pharmaceutical services, medical fees and medical supplies. The large decrease in healthcare spending costs from Fiscal Year 2004 to Fiscal Year 2005 was due to the change from the private contractor to being a State-run facility.

INJURY STATISTICS (Not Examined)

The following comparison was prepared from the Department's Central Office records for the fiscal years ended June 30,

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Number of resident injuries	57	32	104

EMERGENCY PURCHASES

The Department reported the following emergency purchases to the Office of the Auditor General During FY05. There were no emergency purchases in FY06.

Description of Emergency Purchase	Actual Cost
Pharmaceuticals for Residents in the Anna Veterans' Home	<u>\$ 102,758</u>
TOTAL	<u>\$ 102,758</u>

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ILLINOIS VETERANS' HOME AT ANNA
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Nursing Care			
Number of Admissions	13	21	22
Number of Deaths	13	19	19
Number of Discharges	0	2	3
Veteran Days of Care Furnished	17,795	17,737	17,947
Domiciliary Care			
Number of Admissions	2	5	6
Number of Deaths	1	1	0
Number of Discharges	2	2	5
Veteran Days of Care Furnished	3,502	3,037	2,821